

## THE AMERICAN HEALTHCARE ACT(AHCA) - MYTHS AND FACTS

**Myth:** The AHCA's continuous coverage provision, which allows insurance companies to charge a 30% surcharge if an individual has not maintained continuous coverage, is another government mandate.

**FACT:** Unlike the Affordable Care Act(ACA)/Obamacare, the AHCA does not have the IRS policing health care in Iowa and does not allow the IRS to fine Iowans for choosing not to buy government-approved care. The continuous coverage provision prevents people from gaming the system and paying for coverage only when they have medical bills. Individuals can go without coverage for sixty-three days and still maintain continuous coverage status.

The vast majority of Iowans who get health care from their employers already receive continuous coverage protection. Medicare Parts B and D also use a form of continuous coverage protections. The AHCA extends a similar provision to the individual and small group markets in order to help Iowans get - and stay - enrolled.

**Myth:** Does that mean the AHCA as amended allows insurance companies to charge penalties for not maintaining continuous coverage and charge Iowans more just for having a pre-existing condition.

**FACT:** No. States which receive a waiver to allow insurers to charge higher premiums for a person with a health condition that did not maintain continuous coverage would not be allowed to charge an additional continuous coverage penalty. It's either or. Regardless, protections against being charged higher premiums for pre-existing conditions are preserved for every individual who maintains continuous coverage. Period.

**Myth:** The AHCA will kick millions of people off of Medicaid.

**FACT:** Our Medicaid program is a critical lifeline for some of our nation's most vulnerable patients. But the program now has three times as many people and costs three times as much as it did under former President Clinton. By expanding Medicaid, the ACA/Obamacare prioritized able-bodied adults above those the Medicaid program was originally designed to help. We will not pull the rug out from anyone as we work to give states the flexibility they need to take care of those most in need.

The AHCA responsibly unwinds Obamacare's Medicaid expansion, freezing enrollment and allowing natural turnover in the Medicaid program as beneficiaries see their life circumstances change. This strategy is both fiscally responsible and fair, ensuring we don't pull the rug out on anyone while also ending the Obamacare expansion that unfairly prioritizes able-bodied working adults over the most vulnerable.

**Myth:** You are pulling the rug out from under low income lowans by ending the Medicaid expansion.

**FACT:** To responsibly unwind expansion, our plan would freeze new enrollment in Obamacare's Medicaid expansion and grandfather existing enrollees. Under the expansion freeze, lowans currently enrolled in Obamacare's Medicaid expansion would remain enrolled in the program if they otherwise remain eligible, and expansion states like Iowa would continue to receive the enhanced match under current law ONLY for existing beneficiaries. Over time, as the individuals see changes to their income or eligibility, they will naturally cycle off the program. To protect against padding the rolls, the AHCA says that states can no longer enroll individuals onto to Medicaid at the enhanced match. States could continue to enroll Americans on Medicaid at their lower, traditional match rate.

This freeze policy would prevent disruption for Medicaid beneficiaries, but also transition individuals to purchasing private coverage in an improved commercial market with the support of a refundable tax credit and through innovative programs established in their state and funded by the AHCA's Patient and State Stability Fund.

**Myth:** This health care proposal would cause premiums to spike for lowans.

**FACT:** The ACA/Obamacare has caused premiums to skyrocket across the nation, up about 25 percent on average this year. Enormous increases have left many families paying for insurance that they cannot afford to use.

The Obama administration has effectively locked in more expensive plans for both this year and next year, adding 2018 coverage mandates three days before President Trump took office. Obamacare is in a death spiral and it will take some time to pull out of it.

The AHCA will lower premiums over time by an average of 10% - and potentially more as further reforms are made and new and innovative ideas implemented that aim to lower premiums.

**Myth:** Repealing Obamacare will increase out-of-pocket costs for Iowa families.

**FACT:** Under the ACA/Obamacare, patient out-of-pocket costs have continued to skyrocket - not only for those on the exchanges, but also for all patients. Obamacare failed to fulfill its own promises to cover every American and reduce health care spending by \$2,500 a family, and sick patients are the innocent victims of this lie. Our country was built on the idea of individual liberty and freedom. Being forced to buy a product with government-decided benefits conflicts with the very fabric of our country's values. This is why our health care solutions must start with what is best for health care consumers. We put patients and their providers back in charge and will force insurance companies to compete for your business.

**Myth:** Repealing Obamacare will cause chaos in Iowa health care markets.

**FACT:** Iowa's health care markets are already in chaos following reports from the Des Moines Register that 94 of Iowa's 99 counties may not have insurance options in the individual marketplace. Obamacare has been the definition of chaos from the very beginning. Hard-working Iowa families have fewer choices than ever before, and costs continue to skyrocket as insurers flee the failing Obamacare marketplaces in Iowa. Obamacare has failed and the lowans are stuck paying higher costs.

**Myth:** Repealing Obamacare means people would lose access to preventive health care.

**FACT:** I fully support innovation in health care and preventative services that help people maintain healthy lifestyles. This is why keeping health insurance is just as important as getting health insurance. Today, Obamacare penalizes patients for not having health insurance. But this penalty does not prevent patients from getting sick. Our plan incentivizes and rewards patients for keeping health insurance. To be sure – even if a patient is dealing with a serious medical issue, they will never be charged more than standard rates as long as they maintain coverage.

**Myth:** Iowans with a mental health condition will be turned away from treatment and lose the newly gained care and support they count on.

**FACT:** The AHCA as amended includes \$15 billion specifically toward mental health and substance abuse disorders. Furthermore, last Congress I joined my colleagues in passing the bipartisan 21<sup>st</sup> Century Cures Act. This new and innovative law includes a comprehensive mental health package that is the result of years of conversations with patients fighting mental health conditions, battling substance use disorders, and families supporting their loved ones who just need a little help to get through this difficult – and often very emotional – situation. I will continue to fight for those with mental health and substance use disorders.

**Myth:** Under the AHCA, mental health parity will go away.

**FACT:** The AHCA does not change mental health parity rules, period.

**Myth:** Your bill cuts off funding to Planned Parenthood, who provide critical health care services to women.

**FACT:** The AHCA imposes a one-year freeze on federal funding for organizations providing abortion services. Instead the legislation increases funding for Federal Qualified Health Centers (FQHCs), which are community-based, patient-centered organizations that provide health services to medically underserved individuals. Unlike clinics such as Planned Parenthood that generally only provide reproductive health services and abortions, FQHCs provide comprehensive medical, dental, mental health and other primary care services. These services also include STD testing, cancer screening and family planning and contraceptive management.

### **Per Capita Allotments**

**Myth:** Per Capita Allotments are cuts that shift costs back to states.

**FACT:** Under the AHCA, the federal government would continue to provide matching funds for Iowa's Medicaid program to cover each person enrolled. However, this policy would set limits on the federal government's spending on Medicaid, calculated by accounting for the number of enrollees overall and the capped per capita amount per eligibility category. The allowable per capita amount per eligibility category would be determined using Iowa's average cost of an enrollee in each eligibility group. There would be federal matching maximums per State (though a State could spend more), in each of the five main Medicaid eligibility groups: the elderly, people with disabilities, children, nondisabled, nonelderly adults, and Medicaid expansion enrollee groups. Iowa's total allowable federal funding would be calculated as the product of the number of enrollees and the per-enrollee spending cap.

It is important to note that a per capita allotment is not an arbitrary limitation on the amount of money that can be spent on a specific individual in need, but creates a fair formula for determining the aggregate amount of funding the federal government will provide to Iowa.

I also worked to get assurances for Iowans that the Centers for Medicare and Medicaid Services (CMS) – the federal agency which administers Medicare, Medicaid, and the State Children's Health Insurance Program - will give our state flexibility in reviewing funding since our Medicaid system is transitioning. The commitment from CMS is to work with our state to ensure we receive the funding we need.

**Myth:** The reduction in federal Medicaid spending won't really happen.

**FACT:** Many of the reforms and improvements in this bill take place in the near term and will reduce spending immediately. The per capita allotments are designed to be phased in, in a manner that is realistic for states in the short term so it is sustainable over the long run. Taken together, when enacted, the Medicaid policies represent the single largest set of reforms to the Medicaid program since its creation.

Most importantly, these reforms will refocus the Medicaid program on those it was designed to help, the most vulnerable.